

## NEWS RELEASE

### ASCOTT RESIDENCE TRUST'S PRIVATE PLACEMENT OF NEW UNITS THREE TIMES SUBSCRIBED

- **1-for-10 Preferential Offering to commence on 24 September 2010**
- **Advanced Distribution of approximately 1.6 cents for Existing Unitholders**

*Singapore, 14 September 2010* – Ascott Residence Trust Management Limited (ARTML), the manager of Ascott Residence Trust (Ascott Reit), is pleased to announce that the private placement (the “Private Placement”) of 419,660,000 new units (the “Private Placement New Units”) launched on 13 September 2010 were successfully placed, raising S\$453.2 million.

The 216,492,000 Private Placement New Units available for subscription by institutional and other investors under the Private Placement were three times subscribed. This excludes the 203,168,000 Private Placement New Units to be subscribed by the CapitaLand Group, which together with the subscription of its allocation of new units in the preferential offering (the “Preferential Offering”) will enable the CapitaLand Group to maintain its pre-Preferential Offering unitholding of 47.74% in Ascott Reit.

ARTML, together with the joint lead managers, bookrunners and underwriters, Credit Suisse (Singapore) Limited and DBS Bank Ltd., priced the Private Placement New Units at an issue price of S\$1.08<sup>1</sup> per Private Placement New Unit (the “Private Placement Issue Price”). The Private Placement New Units are expected to commence trading on the SGX-ST on 22 September 2010 at 2.00 pm.

ARTML’s Chairman, Mr Lim Jit Poh said, “The successful Private Placement exercise has enabled us to enlarge our institutional investor base. With a higher profile amongst global investors, increased market capitalisation, and a strong sponsor in The Ascott Limited, Ascott Reit is well-placed for future growth.”

Mr Chong Kee Hiong, ARTML’s Chief Executive Officer said, “We are very pleased with the strong demand for the Private Placement from many institutional and other investors from Asia, Australia and Europe. This demonstrates the increased interest from investors in Ascott Reit as it almost doubles its asset size and free float following the completion of the Equity Fund Raising. We look forward to the continued support of our unitholders for the Preferential Offering.”

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<sup>1</sup> This represents a discount of approximately 4.7% to the adjusted volume weighted average price (the “Adjusted VWAP”) of all trades on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the full market day on 13 September 2010 and subtracting the Advanced Distribution of 1.6 cents per unit.

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The Private Placement and Preferential Offering are part of an equity fund raising exercise (the “Equity Fund Raising”) by Ascott Reit to part fund the yield accretive acquisition of 28 properties in Singapore, Vietnam, United Kingdom, France, Germany, Belgium and Spain.

### **Preferential Offering**

Existing Singapore Registered Unitholders<sup>2</sup> of Ascott Reit will be able to subscribe for new units under the Preferential Offering.

Under the Preferential Offering, 67,858,000 new units (the “Preferential Offering New Units”) are offered to Singapore Registered Unitholders on a non-renounceable basis of one Preferential Offering New Unit for every 10 Existing Units<sup>3</sup> held on 21 September 2010 at 5.00 pm and taking into account the rounding mechanism as described in the offer information statement lodged with the Monetary Authority of Singapore on 13 September 2010 (the “Offer Information Statement”). The Preferential Offering New Units are priced at an issue price of S\$1.07 per unit.

The Preferential Offering will open on 24 September 2010, at 9.00 am, and will close on 30 September 2010. Singapore Registered Unitholders can accept their provisional allocations of Preferential Offering New Units in full or in part and are eligible to apply for new units in excess of their provisional allotment of Preferential Offering New Units.

### **Advanced Distribution**

In conjunction with the Equity Fund Raising, ARTML intends to declare, *in lieu* of the scheduled distribution for Ascott Reit’s distributable income for the period 1 July 2010 to 31 December 2010 for the Existing Units, a distribution of Ascott Reit’s distributable income for the period from 1 July 2010 up to the day immediately prior to the date of issuance of the Private Placement New Units (the “Advanced Distribution”) to holders of the Existing Units.

The next distribution following the Advanced Distribution will comprise Ascott Reit’s distributable income for the period from the day that the Private Placement New Units are issued to 31 December 2010 which all unitholders will enjoy, including those holding Preferential Offering New Units and Private Placement New Units. Semi-annual distributions will resume thereafter.

The books closure date for the Advanced Distribution is 21 September 2010 at 5.00 pm. The estimated quantum of the distribution per Existing Unit under the Advanced Distribution will be approximately 1.6 cents, and the actual quantum will be announced in due course. The Advanced Distribution is currently expected to be paid in November 2010.

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<sup>2</sup> “Singapore Registered Unitholders” as defined in the Offer Information Statement.

<sup>3</sup> The outstanding units in issue immediately prior to the issuance of the Private Placement New Units.

<b>Indicative Timetable</b>	
Last day of cum trading for Preferential Offering and Advanced Distribution	16 September 2010 at 5.00 pm
First day of ex trading for Preferential Offering and Advanced Distribution	17 September 2010 at 9.00 am
Preferential Offering and Advanced Distribution Books Closure Date	21 September 2010 at 5.00 pm
Despatch of Offer Information Statement (together with the acceptance and application form) to Singapore Registered Unitholders	24 September 2010
Opening date and time for the Preferential Offering	24 September 2010 at 9.00 am
Closing date and time for the Preferential Offering	30 September 2010 - 5.00 pm via acceptance and application form - 9.30 pm via ATMs of Participating Banks <sup>4</sup>
Expected date for commencement of trading of Preferential Offering New Units	8 October 2010 at 9.00 am

### **About Ascott Residence Trust**

Ascott Residence Trust (Ascott Reit) is the first Pan-Asian serviced residence real estate investment trust established with the objective of investing primarily in real estate and real estate-related assets which are income-producing and which are used or predominantly used, as serviced residences or rental housing properties.

Comprising an initial asset portfolio of 12 strategically located properties in seven Pan-Asian cities, Ascott Reit was listed with an asset size of about S\$856 million. With the completion of the acquisition of 28 properties in Singapore, Vietnam, United Kingdom, France, Germany, Belgium and Spain and divestment of Ascott Beijing, Ascott Reit's portfolio will expand to S\$2.85 billion, comprising 65 properties with 6,681 units in 23 cities across 12 countries across Asia Pacific and Europe.

Ascott Reit is managed by Ascott Residence Trust Management Limited, a wholly-owned subsidiary of The Ascott Limited and an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies.

For more information about Ascott Reit, please visit <http://www.ascottreit.com>.

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<sup>4</sup> DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited.

## **Important Notice**

The value of units in Ascott Reit and the income derived from them may fall as well as rise. Units in Ascott Reit are not obligations of, deposits in, or guaranteed by the Manager or any of its affiliates. An investment in the units in Ascott Reit is subject to investment risks, including the possible loss of the principal amount invested. The past performance of Ascott Reit is not necessarily indicative of its future performance.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events.

Investors have no right to request the Manager to redeem their units in Ascott Reit while the units in Ascott Reit are listed. It is intended that unitholders may only deal in their units in Ascott Reit through trading on the SGX-ST. Listing of the units in Ascott Reit on the SGX-ST does not guarantee a liquid market for the units in Ascott Reit.

**These materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of an offering memorandum that may be obtained from the Manager and will contain detailed information about Ascott Reit and management, as well as financial statements.**

### **Issued by:**

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